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WISCONSIN ECONOMIC INDICATORS

FEBRUARY 1985

DILHR
DEPARTMENT OF
INDUSTRY, LABOR & HUMAN RELATIONS

WISCONSIN DATA AND SOURCES

	INDICATOR	SOURCE
L1	Composite Index of Leading Indicators	Wis.Dept. of Industry, Labor and Human Relations
L2	Average Work Week, Manufacturing	Wis. Dept. of Industry, Labor and Human Relations
L3	Average Overtime Hours, Mfg.	Wis. Dept. of Industry, Labor and Human Relations
L4	Average Weekly Initial Claims	Wis. Dept. of Industry, Labor and Human Relations
L5	Total Job Openings Received	Wis. Dept. of Industry, Labor and Human Relations
L6	New Business Incorporations	Wisconsin Secretary of State
L7	Net Gain in Business Phone Access Lines	Wis. Telephone Co. and General Telephone Co.
L8	Building Plans Examined	Wis. Dept. of Industry, Labor and Human Relations
C1	Help-Wanted Advertising Index (Milw.)	National Industrial Conference Board
C2	Total Unemployment Rate	Wis. Dept. of Industry, Labor and Human Relations
C3	Natural Gas Sales	Wisconsin Public Service Commission
C4	New Car Registrations	Wis. Department of Transportation
C5	Electric Power Sales	Wisconsin Public Service Commission
C6	Total Securities Registrations	Wisconsin Commissioner of Securities
C7	Personal Income	"Business Week," McGraw Hill
C8	Average Weekly Earnings, Mfg.	Wis. Dept. of Industry, Labor and Human Relations
C9	Cash Receipts From Farm Marketing	U.S. Department of Agriculture
C10	Contract Construction Employment	Wis. Dept. of Industry, Labor and Human Relations
X1	Birth Registrations	Wis. Department of Health and Social Services
X2	Death Registgrations	Wis. Department of Health and Social Services
X3	Natural Net Gain in Population	Wis. Department of Health and Social Services
X4	Marriage Registrations	Wis. Department of Health and Social Services
X5	Consumer Price Index (Milwaukee)	U.S. Bureau of Labor Statistics
X6	Index of Prices Received By Farmers	Wisconsin Department of Agriculture
X7	Net Gain in Residential Phone Access Lines	Wis. Telephone Co. and General Telephone Co.
X8	Labor Disputes, No. of Workers	Wis. Dept. of Industry, Labor and Human Relations
X9	Manufacturing Employment	Wis. Dept. of Industgry, Labor and Human Relations

NOTES: Selected series are seasonally adjusted by the Bureau of the Census X-11 Variant of the Census Method II Seasonal Adjustment Program. The adjusted data are plotted on arithmetic scales.

SECTION A is a summary of recent data and current changes for all indicators and is presented in chart form. The indicators are presented with cyclical timing as the principle basis of classification.

SECTION B is a summary of Wisconsin Labor Force Estimates, including Employment, Unemployment and Unemployment Rates, and selected U.S. data.

SECTION C analyzes the Wisconsin labor force by industry and by specified Standard Metropolitan Statistical Areas.

SECTION D singles out certain economic time series as being leading or coinciding in relation to movements in aggregate economic activity. They are seasonally adjusted and presented graphically. The indicators are grouped by cyclical timing.

COVER PHOTO: Spring scene. Courtesy of Wisconsin Division of Tourism.

THE WISCONSIN ECONOMY

SUMMARY FOR JANUARY

LEADING INDICATORS BEGAN 1985 WITH CLEARLY POSITIVE SIGNALS OF ECONOMIC IMPROVEMENT. MOST OF THE LEADING INDICATORS HAD BETTER THAN NORMAL SEASONAL TRENDS IN THE DECEMBER TO JANUARY PERIOD.

LEADING INDICATORS

The average number of hours worked per week by production workers in manufacturing is a significant barometer of economic activity. The average workweek is immediately susceptible to economic changes.

The average workweek declined by eight-tenths of an hour in January; and though a decrease is normal for that month, this January's drop is more than the usual seasonal trend.

Contributing to the average hours decline was a shortening of the average number of overtime hours worked. Again, a decline is usual for January. And, this January's decrease of overtime fits the seasonal trend.

The average number of initial claims for unemployment compensation dropped by over 3 thousand in January - a significant drop in the actual level, and a slight drop in the trend from the normal seasonal pattern.

The number of job openings received from employers by Job Service offices throughout the state increased dramatically in January. The increase was almost double the usual January seasonal trend.

Indicators of business development looked rosy in January. New business incorporations grew at well-above the seasonal rate; and the number of business telephone net access lines decreased at much less than the seasonally usual pace.

The number of building plans examined by the state's Safety and Building Division declined, but at less than a seasonally normal rate.

WISCONSIN LABOR FORCE

Employment declined by nearly 80 thousand in one month, but a large decrease is normal for January. One year ago, employment had dropped by over 56 thousand workers at the beginning of the year.

January's total employment level was the best ever for any January, even with the larger-than-normal drop from the previous month.

Unemployment, at the same time, rose by almost 6 thousand. A rise in January is usual, but this month's increase is greater than the seasonal trend.

January's unemployment, however, was the lowest level for any January in the last five years and was about 32 thousand below the level of one year ago.

** **
Wage rates for 410 occupations are being published by the Labor Market
* Information bureau. The wage survey will include data for the state, for *
each of the state's Service Delivery Areas, and for each Metropolitan
* Statistical Area (MSA). The publication should be available by the end *
of April. Request by calling Dianne Carlson, 608-267-9607.
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Section

A WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES Latest Month		Mo/Ago	Yr/Ago	% CHANGE Mo/Ago	% CHANGE Yr/Ago	AVG. 1983
LEADING INDICATORS								
L1 COMPOSITE INDEX OF LEADING INDICATORS								
Seasonally Adjusted	INDEX	75.8	Jan	63.8	69.3	18.8	9.4	58.0
L2 AVG. WORK WEEK, MFG.								
Unadjusted	HOURS	41.1	Jan	41.9	41.5	-1.9	-1.0	40.7
Seasonally Adjusted		41.1		41.4	41.5	-0.7	-1.0	
L3 AVG. OVERTIME HOURS, MFG.								
Unadjusted	HOURS	3.3	Jan	3.4	3.4	-2.9	-2.9	2.8
Seasonally Adjusted		3.4		3.4	3.5	0.0	-2.9	
L4 AVG. WEEKLY INITIAL CLAIMS								
Unadjusted	NUMBER	15,068	Jan	18,332	13,761	-17.8	9.5	14,694
Seasonally Adjusted		12,035		12,111	10,994	-0.6	9.5	
L5 TOTAL JOB OPENINGS REC.								
Unadjusted	NUMBER	7,985	Jan	4,507	6,310	77.2	26.5	7,099
Seasonally Adjusted		10,618		5,822	8,385	82.4	26.6	
L6 NEW BUSINESS INCORPORATIONS								
Unadjusted	NUMBER	631	Jan	532	573	18.6	10.1	544
Seasonally Adjusted		690		511	627	35.0	10.0	
L7 NET GAIN IN BUSINESS PHONES ACCESS LINES								
Unadjusted	NUMBER	-115	Jan	714	-2,438	-116.1	95.3	892
Seasonally Adjusted		888		450	107	97.3	729.9	
L8 BUILDING PLANS EXAMINED								
Unadjusted	NUMBER	290	Jan	322	331	-9.9	-12.4	275
Seasonally Adjusted		429		407	490	5.4	-12.4	
ROUGHLY COINCIDING INDICATORS								
C1 HELP-WANTED INDEX (MILW.)								
Seasonally Adjusted	INDEX	56	Jan	63	51	-11.1	-9.8	38
C2 UNEMPLOYMENT RATE, TOTAL								
Unadjusted	PERCENT	8.1	Jan	7.7	9.5	-	-	10.4
Seasonally Adjusted		7.7		7.2	8.3	-	-	
C3 NATURAL GAS SALES								
Unadjusted	MIL. THERMS	305.6	Nov	190.1	281.5	60.8	8.6	247.9
Seasonally Adjusted		276.3		230.4	254.4	19.9	8.6	
C4 NEW CAR REGISTRATIONS								
Unadjusted	NUMBER	16,489	Jan	11,243	14,551	46.7	13.3	14,429
Seasonally Adjusted		22,762		14,265	20,065	59.6	13.4	
C5 ELECTRIC POWER SALES								
Unadjusted	MIL. KWH	1819.0	Dec	1851.0	1858.5	-1.7	-2.1	1,765
Seasonally Adjusted		1874.4		1872.7	1911.5	0.1	-1.9	
C6 TOTAL SECURITIES REGISTRATIONS								
Unadjusted	MIL. DOL.	93.1	Jan	94.3	109.1	-1.3	-14.7	143.3
Seasonally Adjusted		83.6		109.8	98.0	-23.9	-14.7	

Section

A WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES Latest Month		Mo/Ago	Yr/Ago	% CHANGE Mo/Ago	% CHANGE Yr/Ago	AVG. 1983
C7 PERSONAL INCOME								
Unadjusted	MIL. DOL.	4,804	Aug	4,788	4,384	0.3	9.6	4,449
Seasonally Adjusted		4,857		4,783	4,433	1.5	9.6	
C8 AVG. WEEKLY EARNINGS, MFG.								
Unadjusted	DOLLARS	423.74	Jan	426.54	421.64	-0.7	0.5	398.01
Seasonally Adjusted		420.79		415.33	418.84	1.3	0.5	
C9 CASH RECEIPTS FROM FARM MKTG.								
Unadjusted	MIL. DOL.	468.0	Nov	446.8	460.7	4.7	1.6	415.3
Seasonally Adjusted		420.5		446.8	413.8	-5.9	1.6	
C10 CONTRACT CONSTRUCTION EMPL.								
Unadjusted	THOUS	52.9	Jan	58.3	50.4	-9.3	5.0	55.0
Seasonally Adjusted		64.0		58.6	61.0	9.2	4.9	
OTHER KEY INDICATORS								
X1 BIRTH REGISTRATIONS								
Unadjusted	NUMBER	6,500	Jan	5,491	6,626	18.4	-1.9	6,006
Seasonally Adjusted		6,024		6,249	6,143	-3.6	-1.9	
X2 DEATH REGISTRATIONS								
Unadjusted	NUMBER	4,339	Jan	3,380	4,323	28.4	0.4	3,391
Seasonally Adjusted		3,425		3,766	3,411	-9.1	0.4	
X3 NATURAL NET GAIN POPULATION								
Unadjusted	NUMBER	2,161	Jan	2,111	2,303	2.4	-6.2	2,615
Seasonally Adjusted		2,567		2,579	2,734	-0.5	-6.1	
X4 MARRIAGE REGISTRATIONS								
Unadjusted	NUMBER	2,268	Jan	1,943	2,205	16.7	2.9	3,340
Seasonally Adjusted		3,484		3,323	3,386	4.8	2.9	
X5 CONSUMER PRICE INDEX (MILW.)				(Nov)				
Unadjusted	INDEX	324.6	Jan	324.3	314.0	0.1	3.4	309.5
X6 PRICES RECEIVED BY FARMERS								
Unadjusted	INDEX	146	Jan	139	147	5.0	-0.7	142
Seasonally Adjusted		144		142	145	1.4	-0.7	
X7 NET GAIN IN RESIDENTIAL PHONES ACCESS LINES								
Unadjusted	NUMBER	2,815	Jan	880	-920	219.9	406.0	872
Seasonally Adjusted		1,920		1,431	352	34.2	445.5	
X8 LABOR DISPUTES, NO. OF WORKERS								
Unadjusted	NUMBER	440	Jan	690	394	-36.2	11.7	2,542
Seasonally Adjusted		1,005		1,172	899	-14.2	11.8	
X9 MANUFACTURING EMPL.								
Unadjusted	THOUS.	509.9	Jan	516.5	503.8	-1.3	1.2	486.0
Seasonally Adjusted		520.3		521.4	514.0	-0.2	1.2	

Section

B LABOR FORCE ESTIMATES

WISCONSIN LABOR FORCE ESTIMATES JANUARY	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
Unadjusted					
CIVILIAN LABOR FORCE	2351.8	2425.8	2357.8	-3.1	-0.3
Employment (Inc. Labor Disputes)	2160.4	2240.1	2134.3	-3.6	1.2
Unemployment	191.4	185.7	223.6	3.1	-14.4
Unemployment Rate	8.1	7.7	9.5	-	-
Seasonally Adjusted					
CIVILIAN LABOR FORCE	2434.8	2424.8	2445.4	0.4	-0.4
Employment (Inc. Labor Disputes)	2246.2	2249.4	2241.8	-0.1	0.2
Unemployment	188.6	175.4	203.6	7.5	-7.4
Unemployment Rate	7.7	7.2	8.3	-	-

WISCONSIN EMPLOYMENT ESTIMATES JANUARY	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
TOTAL NONFARM WAGE AND SALARY WORKERS	1931.1	1982.9	1863.9	-2.6	3.6
Unadjusted					
Manufacturing	509.5	515.9	503.5	-1.2	1.2
Mining	1.1	1.5	1.3	-26.7	-15.4
Contract Construction	52.9	58.5	50.4	-9.3	5.0
Transportation and Public Utilities	88.4	91.9	87.7	-3.8	0.8
Elec., Gas and Sanitary Services	17.0	17.0	16.7	0.0	1.8
Wholesale Trade	100.6	101.6	95.9	-1.0	4.9
Retail Trade	349.7	373.8	333.6	-6.4	4.8
General Merchandise	49.0	53.6	47.2	-8.6	3.8
Finance, Insurance and Real Estate	103.9	104.1	99.4	-0.2	4.5
Banking	28.3	28.0	27.1	1.1	4.4
Insurance	33.1	33.0	32.3	0.3	2.5
Service and Miscellaneous	406.3	410.4	387.5	-1.0	4.9
Hospitals	68.2	68.2	71.3	0.0	-4.3
Private Education	24.9	25.3	22.7	-1.6	9.7
Government	318.7	325.4	304.6	-2.1	4.6
State Government	80.8	83.4	73.1	-3.1	10.5
Local Government	211.5	215.6	205.2	-1.9	3.1

UNITED STATES LABOR FORCE ESTIMATES JANUARY	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
Seasonally Adjusted					
CIVILIAN LABOR FORCE	114,875	114,464	112,320	0.4	2.3
Employment	106,391	106,273	103,294	0.1	3.0
Unemployment	8,484	8,191	9,026	3.6	-6.0
Unemployment Rate	7.4	7.2	8.0	-	-

MANUFACTURING EMPLOYMENT *(Unadjusted)* JANUARY	(In Thousands) Latest Month	Month Ago	Year Ago
All Manufacturing (Including Canning)	509.5	515.9	503.5
All Manufacturing (Excluding Canning)	503.1	509.3	497.1
Durable Goods	318.6	323.5	316.1
Lumber and Wood Prod., (Except Furniture)	20.4	20.8	20.8
Sawmills and Planning Mills	3.2	3.2	3.0
Millwork, Veneer, Plywood & Prefab. Wood Prod.	8.9	9.1	9.6
Furniture and Fixtures	11.2	11.2	9.8
Household Furniture	4.9	4.9	4.5
Stone, Clay and Glass Products	6.4	6.8	7.1
Concrete, Gypsum and Plaster Products	2.1	2.5	2.6
Primary Metal Industries	19.6	19.7	19.0
Iron and Steel Foundries	11.0	11.1	10.5
Fabricated Metal Products	50.1	50.7	50.4
Heating Equipment (Except Electrical) & Plumbing Fixtures	4.9	5.0	5.7
Fabricated Structural Metal Products	11.6	12.0	11.4
Metal Stampings	12.7	12.6	12.8
Machinery (Except Electrical)	101.9	104.2	100.5
Engines and Turbines	20.7	21.0	21.9
Farm Machinery and Equipment	11.3	13.0	13.9
Const., Min. & Material Handling Mach. & Equip.	11.1	11.1	11.6
Metalworking Machinery and Equipment	12.0	12.0	10.6
Special Industry Machinery (Except Metalworking)	11.0	11.1	10.4
General Industrial Machinery and Equipment	15.5	15.5	14.0
Service Industry Machines	8.0	8.1	7.5
Electrical Machinery, Equipment and Supplies	52.0	52.4	51.7
Electrical Industrial Apparatus	18.4	18.4	18.2
Household Appliances	6.9	7.1	6.7
Transportation Equipment	35.9	36.5	36.7
Motor Vehicles and Equipment	29.0	29.6	29.8
Instruments and Related Products	10.9	11.0	10.5
Miscellaneous Manufacturing	10.2	10.3	9.6
Nondurable Goods	190.9	192.3	187.4
Food and Kindred Products	57.8	58.4	58.4
Meat Products	14.1	14.1	13.9
Dairy Products	17.5	17.6	17.2
Canning and Preserving	6.4	6.6	6.4
Bakery Products	3.9	4.0	4.5
Beverage Industries	8.3	8.4	9.0
Textile Mill Products	4.5	4.5	4.0
Knitting Mills	3.8	3.8	3.3
Apparel and Other Finished Products	6.3	6.5	6.3
Paper and Allied Products	46.5	46.9	46.3
Pulp and Paper Mills	29.1	29.2	29.0
Converted Paper and Paperboard Products	9.2	9.4	9.3
Paperboard Containers and Boxes	7.1	7.1	6.8
Printing, Publishing and Allied Industries	37.0	37.0	34.7
Newspapers	11.7	11.7	10.8
Commercial Printing	15.4	15.3	14.5
Chemicals and Allied Products	9.8	9.8	9.6
Rubber and Misc. Plastics Products	21.0	21.1	19.6
Miscellaneous Plastics Products	16.6	16.7	15.3
Leather and Leather Products	7.6	7.8	8.3
Leather Tanning and Finishing	1.8	1.8	2.3
Footwear (Except Rubber)	4.1	4.2	4.3
Other Nondurable Goods	-	-	-

Section

C WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS *(Unadjusted)* JANUARY	Average Weekly Earnings			Average Weekly Hours		
	Latest Month	Mo. Ago	Yr. Ago	Latest Month	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	$424	$427	$422	41.1	41.9	41.5
All Manufacturing (Excl. Canning)	425	428	423	41.1	41.8	41.5
Durable Goods	439	439	434	41.3	42.0	41.9
Lumber/Wood Prod. (Exc. Furn.)	303	311	306	39.8	41.0	41.1
Furniture and Fixtures	306	304	312	41.0	41.0	41.5
Stone, Clay and Glass Products	367	380	379	39.9	41.0	41.7
Primary Metal Industries	397	417	403	41.1	42.9	42.0
Iron and Steel Foundries	409	438	412	40.9	43.7	42.1
Fabricated Metal Products	412	412	414	40.4	40.4	41.4
Fab. Structural Metal Prod.	438	443	429	42.7	43.5	42.7
Metal Stampings	393	391	394	38.9	38.8	40.2
Machinery (Except Electrical)	497	497	495	42.2	42.9	42.6
Engines and Turbines	590	555	572	43.7	43.6	44.4
Farm Machinery and Equip.	506	523	498	41.2	41.8	41.4
Const. and Related Mach.	478	492	481	40.9	41.9	40.1
Metalworking Mach. and Equip.	500	509	492	42.9	43.2	42.6
Spec. Ind. Mach. (Exc. Metal).	492	511	511	43.3	44.9	46.7
Gen. Industrial Mach. and Equip.	509	508	483	42.0	42.1	41.5
Electrical Mach., Equip. and Supp.	401	401	392	40.8	40.9	41.4
Electrical Industrial Apparatus	429	425	415	41.5	40.9	40.9
Transportation Equipment	600	578	568	43.1	44.0	43.2
Instruments and Related Prod.	350	370	327	39.9	42.4	38.9
Nondurable Goods	397	404	401	40.6	41.7	40.9
Food and Kindred Products	369	380	385	39.1	40.9	38.9
Meat Products	322	332	386	37.9	38.6	38.1
Dairy Products	380	381	370	40.0	40.4	39.4
Textile Mill Products	299	293	273	40.2	40.6	38.5
Apparel and Other Fin. Prod.	238	237	218	38.1	38.8	36.5
Paper and Allied Products	519	537	494	45.6	47.1	45.4
Pulp and Paper Mills	564	566	529	47.2	47.7	46.4
Printing, Pub. and Allied Prod.	406	407	439	37.9	38.6	39.7
Chemicals and Allied Products	452	469	446	41.5	42.3	42.0
Rubber and Misc. Plastics Prod.	316	313	330	39.5	39.5	40.4
Leather and Leather Products.	252	255	261	38.0	38.6	39.2

DATA INCLUDES ALL FULL-TIME AND PART-TIME EMPLOYEES WHO WORKED DURING, OR RECEIVED PAY FOR, ANY PART OF THE PAY PERIOD WHICH INCLUDES THE 12TH OF THE MONTH. PROPRIETORS, SELF-EMPLOYED PERSONS, DOMESTIC SERVANTS AND PERSONNEL OF THE ARMED FORCES ARE EXCLUDED. PEOPLE ON SICK LEAVE, VACATIONS, OR HOLIDAYS AND BEING PAID FOR THAT PERIOD BY THEIR EMPLOYER ARE CONSIDERED EMPLOYED. EARNINGS AND HOURS DATA PERTAIN TO PRODUCTION AND RELATED WORKERS IN MANUFACTURING INDUSTRIES. THE EARNINGS FIGURES ARE "GROSS" FIGURES, THAT IS, THEY REFLECT CHANGES IN WAGE RATES, SHIFT DIFFERENTIALS, AND PREMIUM PAY FOR OVERTIME WORK. THE HOURS FIGURES RELATE TO THE HOURS FOR WHICH PAY WAS RECEIVED AND ARE DIFFERENT FROM SCHEDULED OR STANDARD WORK HOURS.

ALL CURRENT MONTH DATA ARE PRELIMINARY. DUE TO BENCHMARK REVISIONS CURRENTLY-PUBLISHED DATA MAY DIFFER FROM PREVIOUSLY-PUBLISHED DATA FOR THE SAME MONTH. WISCONSIN DATA ARE CURRENTLY ADJUSTED TO EMPLOYMENT LEVELS OF 4TH QUARTER, 1982. BENCHMARK REVISIONS DURING THE MOST RECENT THREE YEARS FOR WISCONSIN TOTAL NONAGRICULTURAL EMPLOYMENT HAVE AVERAGED 0.6 PERCENT.

Section

C WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS *(Unadjusted)* JANUARY	Average Hourly Earnings Including O.T.			Average Hourly Earnings Excluding O.T.		
	Latest Month	Mo. Ago	Yr. Ago	Latest Month	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	10.31	10.18	10.16	9.88	9.79	9.74
All Manufacturing (Excl. Canning)	10.34	10.23	10.19	9.91	9.82	9.77
Durable Goods	10.62	10.46	10.36	10.20	10.06	9.96
Lumber/Wood Prod. (Exc. Furn.)	7.62	7.59	7.44	7.53	7.53	7.34
Furniture and Fixtures	7.47	7.42	7.52	7.35	7.32	7.32
Stone, Clay and Glass Products	9.21	9.27	9.08	9.10	9.11	8.79
Primary Metal Industries	9.66	9.72	9.60	9.34	9.33	9.23
Iron and Steel Foundries	10.00	10.03	9.78	9.72	9.68	9.45
Fabricated Metal Products	10.19	10.20	10.00	9.76	9.71	9.59
Fab. Structural Metal Prod.	10.25	10.18	10.05	9.81	9.65	9.59
Metal Stampings	10.11	10.09	9.79	9.93	9.90	9.54
Machinery (Except Electrical)	11.77	11.59	11.62	11.28	11.15	11.15
Engines and Turbines	13.50	12.74	12.88	12.58	12.11	12.05
Farm Machinery and Equip.	12.29	12.50	12.03	-	12.19	11.76
Const. and Related Mach.	11.68	11.75	12.00	11.41	11.39	11.84
Metalworking Mach. and Equip.	11.66	11.78	11.56	11.25	11.23	11.09
Spec. Ind. Mach. (Exc. Metal).	11.36	11.38	10.94	10.75	10.68	10.50
Gen. Industrial Mach. and Equip.	12.11	12.06	11.63	11.75	11.53	11.25
Electrical Mach., Equip. and Supp.	9.82	9.80	9.46	9.63	9.55	9.24
Electrical Industrial Apparatus	10.34	10.40	10.14	10.25	10.27	9.94
Transportation Equipment	13.93	13.13	13.14	13.20	12.63	12.50
Instruments and Related Prod.	8.78	8.72	8.40	8.63	8.52	8.20
Nondurable Goods	9.78	9.69	9.80	9.32	9.32	9.35
Food and Kindred Products	9.45	9.28	9.89	9.02	9.09	9.46
Meat Products	8.49	8.59	10.14	8.17	8.28	9.78
Dairy Products	9.50	9.42	9.38	9.10	9.04	9.02
Textile Mill Products	7.44	7.21	7.10	7.20	6.98	6.93
Apparel and Other Fin. Prod.	6.25	6.10	5.98	6.18	6.04	5.84
Paper and Allied Products	11.39	11.41	10.89	10.83	10.86	10.36
Pulp and Paper Mills	11.95	11.86	11.40	11.35	11.29	10.84
Printing, Pub. and Allied Prod.	10.71	10.54	11.07	-	-	-
Chemicals and Allied Products	10.90	11.08	10.61	10.59	10.62	10.34
Rubber and Misc. Plastics Prod.	8.01	7.92	8.18	7.74	7.75	7.85
Leather and Leather Products.	6.64	6.60	6.65	6.49	6.52	6.52

Section

C SUMMARY OF RECENT WISCONSIN DATA

EARNINGS AND HOURS, MFG. Production Workers (Unadjusted) JANUARY	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings Including O.T.			Average Hourly Earnings Excluding O.T.	
	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago
United States	$378	$386	$369	40.2	41.2	40.6	9.40	9.38	9.09	-	-
Wisconsin	424	427	422	41.1	41.9	41.5	10.31	10.18	10.16	9.88	9.79
Selected Areas											
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	428	447	418	42.6	44.2	43.1	10.05	10.11	9.69	9.55	9.54
Beloit (City)	371	399	442	39.9	40.8	46.6	9.29	9.79	9.49	-	-
Eau Claire (Eau Claire-Chippewa)	401	409	408	40.8	41.2	42.3	9.84	9.92	9.65	9.40	9.63
Fond du Lac (County)	391	404	378	42.3	43.8	41.9	9.25	9.22	9.03	8.89	8.83
Green Bay (Brown County)	462	471	434	41.8	42.9	41.0	11.06	10.97	10.59	10.40	10.28
Janesville (City)	642	583	615	45.4	42.9	45.2	14.13	13.59	13.61	13.01	13.18
Janesville-Beloit (Rock County)	533	503	526	43.1	41.8	44.7	12.36	12.04	11.76	11.21	11.64
Kenosha (County)	488	497	470	39.2	44.1	40.1	12.45	11.27	11.72	12.19	10.95
La Crosse (County)	340	354	342	38.6	39.4	39.2	8.81	8.99	8.73	8.52	8.69
Madison (Dane County)	401	400	377	42.2	41.3	40.1	9.51	9.69	9.39	9.00	9.22
Manitowoc (County)	358	371	340	38.6	40.3	38.4	9.27	9.21	8.86	9.07	8.98
Milwaukee (Milwaukee-Ozaukee-Waukesha-Washington)	474	473	71	41.2	41.6	41.8	11.51	11.37	11.26	10.98	10.89
Racine (County)	402	435	430	38.8	40.1	41.4	10.36	10.84	10.38	10.06	10.50
Sheboygan (County)	392	390	379	39.6	40.0	40.3	9.89	9.76	9.40	9.54	9.36
Wausau (Marathon County)	408	398	374	42.6	41.9	40.3	9.57	9.50	9.27	9.23	9.13

EMPLOYMENT, MFG. (Unadjusted) JANUARY	(In Thousands)			Percent Change	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
United States	19,603.0	19,749.0	19,030.0	-0.7	3.0
Wisconsin	509.5	515.9	503.5	-1.2	1.2
Selected Areas					
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	46.1	46.5	44.8	-0.9	2.9
Beloit (City)	5.7	5.8	5.9	-1.7	-3.4
Eau Claire (Eau Claire-Chippewa)	8.8	9.2	8.7	-4.3	1.1
Fond du Lac (County)	10.4	10.5	10.0	-1.0	4.0
Green Bay (Brown County)	22.3	22.3	21.7	0.0	2.8
Janesville (City)	10.9	11.0	10.8	-0.9	0.9
Janesville-Beloit (Rock County)	18.8	19.1	18.8	-1.6	0.0
Kenosha (County)	15.3	15.7	16.5	-2.5	-7.3
La Crosse (County)	10.8	11.0	10.2	-1.8	5.9
Madison (Dane County)	20.5	20.4	19.3	0.5	6.2
Manitowoc (County)	10.9	11.0	11.7	-0.9	-6.8
Milwaukee (Milwaukee-Ozaukee-Waukesha-Washington)	173.5	175.2	172.6	-1.0	0.5
Racine (County)	24.1	25.9	25.6	-6.9	-5.9
Sheboygan (County)	19.0	19.1	18.1	-0.5	5.0
Wausau (Marathon County)	10.9	11.0	10.7	-0.9	1.9

WISCONSIN'S ECONOMIC OUTLOOK

by David H. Peterson and Gene Schubert
Department of Revenue

Fears of an impending "growth recession" have now all but vanished after fourth quarter growth in real GNP was revised to a 4.9% rate, compared to the preliminary Commerce Department estimate of 2.8 percent. The fundamentals for continued moderate growth this year appear to be in place. The current forecast now calls for annual average growth of 3.3% in real GNP for 1985.

Improvements in the near term outlook relies on new evidence that somewhat bloated inventories were quickly brought back into line in the fourth quarter, as well as the likelihood of improved trade volumes due to restraints on steel, textiles and other commodities. The fourth quarter trade performance could be misleading, however, with some supplies filling their quotas early in the year, imports of protected products would have decreased in any case. If voluntary Japanese auto import quotas are allowed to expire, U.S. trade balances would deteriorate further. However, this would also bring about more downward pressure on inflation.

In spite of renewed optimism, reflected in a newly buoyant stock market and interest rate declines for much of the last half of 1984, the current forecast differs little from the forecast three months ago. Threatening clouds on the economic horizon still persist in the form of massive federal budget and trade deficits. Moreover, higher real growth in the economy does not automatically translate into improved revenue outlooks for either the federal government or state and local governments, because the continuing good news on inflation also holds down the nominal growth in the tax base.

Much of the recent improvement in inflation and interest rates is due to weaker growth and an easing of monetary policy by the Federal Reserve during the last half of 1984. The high value of the dollar is also fostering continued cost consciousness and wage restraints in industries competing for national and international markets, and thus helps to hold down prices. Recent downward price adjustments by OPEC also suggest that the good news on inflaction will continue.

Fiscal policy remains overly stimulative due to the large Federal deficits. Monetary policy is therefore cast in a policing role by default. It is reasonable to expect to see continued braking and easing on the part of the Federal Reserve in response to perceived growth spurts or sluggishness. As a consequence, the economy will most likely continue to be characterized by oscillations around a moderate growth path with the exact timing of the peaks and troughs difficult to foresee.

The outlook for 1986 and 1987 is much more conditioned by the "twin deficits" than the outlook for this year. Two key factors could produce a downturn within the next 18 months: the continued strength of the dollar and the large Federal budget deficits. As long as U.S. interest rates remain high relative to foreign rates and long-term capital investments continue to be attractive, the dollar will maintain its strength. At some point, the trade deficit should produce downward pressure on the dollar and should slow the growth of imports this year and next. But this would result in a slowing of the growth in the trade

deficit, not a reversal.

The Federal budget deficit poses perhaps the greatest threat to sustained economic growth. Treasury refinancing has posed little problem to date because private sector borrowing has been relatively weak. Without additional expenditure cuts or tax increases, however, interest rates will likely rise by the fall of this year when Treasury refinancing-needs begin to clash with private credit demands. The current forecast assumes that prompt spending cuts are unlikely. Even after correcting for business cycle influences, the structural deficit is expected to remain at 4.2% of full-employment GNP in 1986, forcing interest rates up while absorbing 24% of new savings. The general effects on the economy are clear even if the exact timing is not. Exceptionally high real interest rates will depress private investment, weaken manufacturing competitiveness, and expand our overseas debt burden.

The stronger short-term outlook for the economy increases the probability of credit tightening later this year. Thus, the expansion has the likelihood of slower growth later this year and in 1986, followed by renewed moderate growth in 1987. Real GNP growth is expected to average 2.7% next year, followed by average growth of 3.3% in 1987.

Recent Events

Revised employment data for 1983 and 1984 soon to be released by the Department of Labor, Industry and Human Relations indicates that the Wisconsin economy has recovered from the recession more strongly than had been previously reported. The revised data from a routine rebenchmarking procedure, indicate that total nonfarm wage and salary employment was about 1.8% higher by the third quarter of 1984 than had been reported. The largest revisions were made in manufacturing and trade employment. Other service producing sectors were also revised upward. Estimates of employment in government and mining were reduced. Although the magnitude of the revisions is not particularly large, the direction of the change is good news for those concerned about the state's economic performance.

The revised employment data provide a good basis for reevaluating the Wisconsin economy's performance during the current recovery. Wisconsin has added 128,000 jobs since the economy bottomed out in the fourth quarter of 1982. To a large extent, the recovery of the state's economy parallels that of the national economy which is characterized by relatively weak growth in the manufacturing sector and strong growth in the trade and services sectors. For both Wisconsin and the nation, more than half the jobs created during the recovery are in the trade and service sectors. By contrast, employment in manufacturing remains below the pre-recession peak.

Although the Wisconsin economy has experienced a marginally weaker recovery than the nation, the weakness does not appear to be concentrated in the manufacturing sector. Growth in nondurables goods employment actually exceeds the national average. Durable goods employment growth is less than the national average and remains a concern, particularly in light of the fact that the growth is off a severely depressed base. Overall manufacturing growth rates are virtually identical for Wisconsin and the U.S. during the recovery. Growth in construction and service employment differ more significantly from the national rates. Slower recovery of construction employment is explained by the fact that construction activity is heavily concentrated in the rapidly growing states of the South and West.

While manufacturing employment in Wisconsin has been growing throughout

the recovery, average hourly earnings in manufacturing have shown little growth. In fact, average hourly earnings have declined in each of the last three quarters of 1984. This data series had not shown a decline between 1961 and 1983.

While the decline is explained in part by a reduction in overtime hours, other factors are clearly at work. Since the beginning of the recovery, average hourly earnings in manufacturing have increased by only 4.4%. This represents a decline of about 3% after adjusting for inflation. Weakened wage rates have mixed implications for the Wisconsin economy. Lower increases in wage rates translates into weaker income growth which tends to dampen economic growth. On the other hand, since average hourly earnings in manufacturing have continued to grow on the national level, our competitive positive relative to other states has improved. In the fourth quarter of 1984, average hourly earnings in manufacturing in Wisconsin were 7.2% higher than the national average. This is the lowest percent difference since 1969. (It should be noted that Wisconsin average annual earnings in all private employment, including non-manufacturing sectors, were about 8% below the U.S. average in 1983).

The Forecast

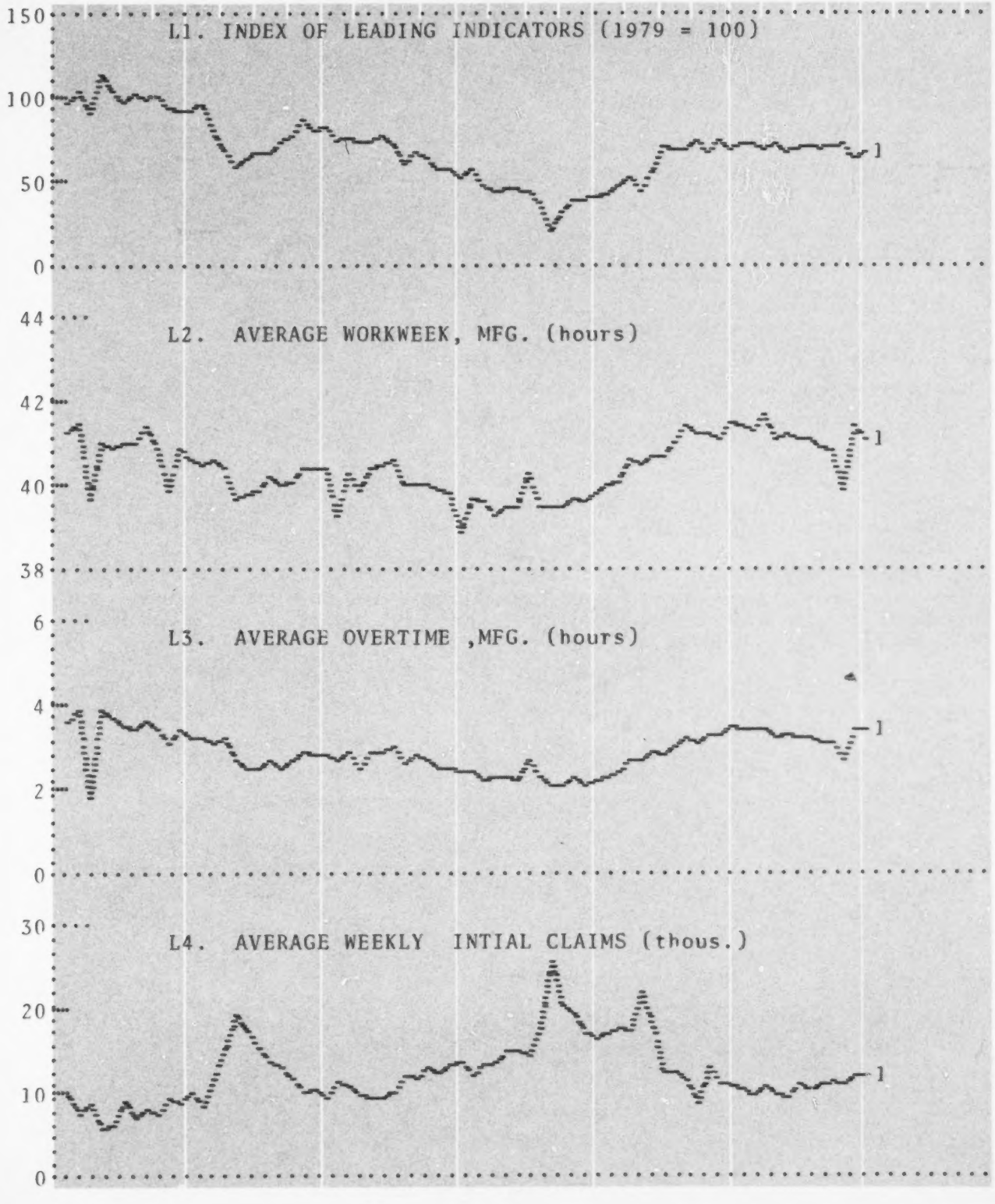
The current economic forecast projects an increase of 2.6% in total Wisconsin nonfarm wage and salary employment in 1985. Total employment is expected to grow by 1.4% in 1986 and 1.5% in 1987. The outlook for manufacturing remains weak due to high interest rates and the strong dollar. Foreign competition in both international and domestic markets continues to be a serious problem for Wisconsin's manufacturers. The majority of employment growth is forecast to occur in the trade and service sectors. Service employment is forecast to grow 3.5% in 1985, 2.7% in 1986 and 2.6% in 1987. Trade employment is forecast to grow by 3.5% in 1985, 1.5% in 1986, and 1.7% in 1987.

Wisconsin personal income is forecast to grow by about 5% in 1985 and 1986, and by 7% in 1987. The modest growth rates in personal income largely result from a lower forecast for inflation at the national level, but also reflects recent weakness in the length of the work week and in average hourly earnings. The forecast continues to show property income growing at rates in the 6 to 10% range over the forecast horizon. The forecast for personal interest income for 1985 has been reduced to reflect the recent decline in interest rates. The outlook for farm proprietor's income continues to be grim. The strong dollar has reduced export opportunities, and the farm price support programs are under attack as the federal government looks for ways to reduce its budget deficit. Lower oil prices should provide some help, but on balance farm income is likely to decline.

(Employment projections on back cover)

Section

D CYCLICAL INDICATORS



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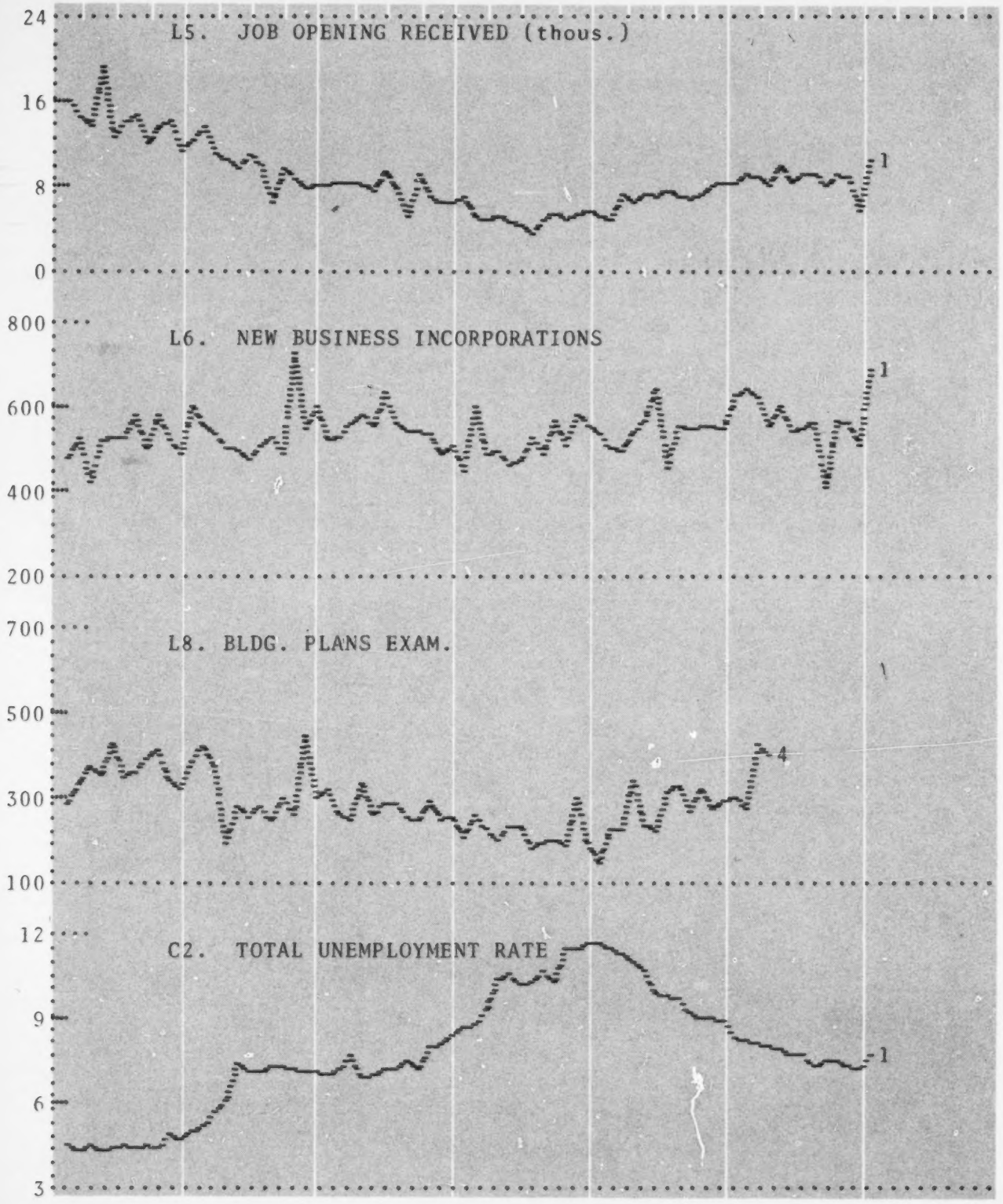

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WISCONSIN EMPLOYMENT SUMMARY
Employment (Thousands of Workers, Annual Average)

	1983	1984	1985	1986	1987
MANUFACTURING-DURABLE	295.6	321.9	326.1	327.7	333.2
% CHANGE	-4.9	8.9	1.3	0.5	1.7
MANUFACTURING-NONDURABLE	188.6	196.1	198.9	199.6	201.0
% CHANGE	0.6	4.0	1.4	0.3	0.7
MINING	1.8	1.8	1.8	1.8	1.9
% CHANGE	-4.2	-4.5	1.9	3.1	1.3
CONSTRUCTION	57.4	58.6	60.8	63.2	63.6
% CHANGE	0.7	2.1	3.8	3.8	0.7
TRANS., COMM., UTILITIES	88.1	89.7	91.3	92.5	93.9
% CHANGE	-1.5	1.9	1.8	1.4	1.4
FINANCE, INSURANCE, REAL ESTATE	98.6	102.2	106.1	110.0	113.1
% CHANGE	2.9	3.7	3.8	3.7	2.8
TRADE	433.1	453.6	469.7	476.9	485.1
% CHANGE	1.0	4.7	3.5	1.5	1.7
SERVICES	388.6	403.8	418.0	429.2	440.4
% CHANGE	1.9	3.9	3.5	2.7	2.6
ALL GOVERNMENT	312.4	313.4	318.7	318.2	318.1
% CHANGE	-0.5	0.3	1.7	-0.2	0.0
TOTAL EMPLOYMENT (Nonfarm)	1864.2	1941.1	1991.4	2019.1	2050.2
% CHANGE	-0.1	4.1	2.6	1.4	1.5